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PHI Service Company  
FRN 0018679357Federal Communications Commission  
Office of the Secretary**Substantial Service Showing and/or Request for Extension of Time for 931 MHz Paging  
Service Licenses in MEA 2**

PHI Service Company (“PHI”) hereby submits its substantial service showing and/or further request to satisfy the substantial service showing for its Area-Wide 931 MHz Paging Service Licenses authorized in Major Economic Area 2 (collectively referred to as the “Licenses”) under Section 1.946 (d) of the Commission’s rules.<sup>1</sup> Consistent with the Commission’s waiver and extension of the five-year deadline for meeting the substantial service requirement for these licenses under its own motion to July 3, 2017, PHI has completed construction of several sites and undertaken substantial efforts to complete construction of all proposed sites for the Licenses. However, additional time to construct and satisfy the substantial service is requested.

*The Licensee*

PHI is a subsidiary Exelon Corporation, one of the largest diversified energy companies in the United States. Five energy delivery affiliates of PHI, all controlled by Exelon Corporation, provide electric distribution services in the mid-Atlantic region: Potomac Electric Power Company (“Pepco”), Delmarva Power & Light Company (“Delmarva”), and Atlantic City Electric Company (“ACE”); Baltimore Gas and Electric Company (“BGE”) and PECO Energy Company (“PECO”). Delmarva, BGE and PECO are also engaged in the retail delivery of natural gas (collectively, the “Energy Delivery Affiliates”).

**Substantial Service Showing**

Section 22.503(k)(3) of the FCC’s rules provides licensees the option to satisfy the coverage requirements for 931 MHz Paging Service Licenses through a showing of substantial service within the authorized service areas. “Substantial service” is described in the rules as “service that is sound, favorable, and substantially above a level of mediocre service.”<sup>2</sup> Beyond that, substantial service is not defined in the Commission’s rules. The Commission generally considers substantial service showings on a case-by-case basis, considering factors such as whether the licensee is offering a specialized or technologically sophisticated service that does not require a high level of coverage to be of benefit to customers, and whether the licensee’s operations serve niche markets.

*Substantial Service Showing*

In analyzing this substantial service showing, the Commission is requested to acknowledge and recognize that PHI does not use the spectrum authorized under its Licenses to provide a subscriber-based service to the public. Rather, these facilities support critical smart grid applications and Distribution Automation (DA) requirements of its affiliated Energy Delivery Companies.<sup>3</sup>

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<sup>1</sup> 47 C.F.R. § 1.946(d).

<sup>2</sup> 47 C.F.R. § 22.503(k)(3).

<sup>3</sup> DA concerns the operational control of the grid, i.e., monitoring currents and voltages in the distribution grid and issuing commands to remote units such as switches and transformers. When a fault occurs on a medium voltage (MV) segment, protection switches should isolate it. Remote reconfiguration performed by the distribution system

The operation of PHI's 900 MHz system benefits all residences, businesses and government locations that obtain energy delivery services from its Energy Delivery Affiliates through improved response/restoration times and, overall, more reliable electric and gas service. Thus, directly or indirectly, virtually all persons residing and working within and traveling through the electric service territories of PHI's affiliated Energy Utility Companies benefit from PHI's 900 MHz systems authorized by the Licenses.

*Request for Extension of Time to Demonstrate Substantial Service for Several Licenses*

PHI has constructed three (3) of the planned seven (7) sites depicted in the Engineering Study as of the date of this filing. The population coverage for the Licenses in MEA 2, as of the date of this filing, is depicted in the Supplement to the Engineering Study. PHI requests a limited extension of time to December 31, 2017, to complete construction and demonstrate substantial service for these Licenses that may not yet satisfy the Commission's substantial service obligation. The request is grounded on the substantial investments of resources PHI has made to date to satisfy the substantial service obligation for these Licenses.

PHI has completed the network design, as demonstrated by the Engineering Study. It has purchased the RF equipment and associated facilities for all proposed master station sites and many of the proposed remote sites. An intervening variable was the closure of the PHI merger with Exelon Corporation. The process is almost complete at the four (4) unconstructed sites, notices to proceed have been granted by the site owner/operators, scheduling and completing construction are the remaining significant steps. Siting and construction permits have proved particularly daunting in New Jersey.

*Conclusion*

The Supplement to the Engineering Study describes the population coverages of the Licenses as constructed and operational as of July 3, 2017. PHI is making substantial progress in completing construction of the sites supporting the Licenses. Accordingly, the Commission should grant this limited extension of time to December 31, 2017, for PHI to complete the construction and operation of the balance of proposed sites in order to demonstrate substantial service.

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operator (DSO) or substation computer is a main function of DA. Typically, several tens or hundreds of remote units must be addressable.